

# SCHEDULE AMC

41A720AMC  
(10-06)

Commonwealth of Kentucky  
DEPARTMENT OF REVENUE

## ALTERNATIVE MINIMUM CALCULATION

KRS 141.040(11) and (12)  
Regulation 103 KAR 16:220

Attach to Form 720, Form 720S, Form 725 or Form 765.

See instructions on  
reverse.

Taxable Year Ending

Mo. / Yr.

Name of Corporation	Kentucky Corporation Account Number
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### Section A—Computation of Gross Receipts and Gross Profits

	Column A Kentucky	Column B Total
1. Gross receipts ..... 1		
2. Returns and allowances ..... 2		
3. Gross receipts after returns and allowances (line 1 minus line 2) ..... 3		
4. Cost of goods sold ..... 4		
5. Gross profits (line 3 minus line 4) ..... 5		

### Section B—Computation of Gross Receipts AMC

1. If gross receipts from all sources (Column B, line 3) are \$3,000,000 or less, <b>STOP</b> and enter -0- on Section D, line 1, and on Part II, line 2, of applicable form (Form 720, Form 720S, Form 725 or Form 765) ..... 1		
2. If gross receipts from all sources (Column B, line 3) are greater than \$3,000,000 but less than \$6,000,000, enter the following: (Column A, line 3 x 0.00095) – $\left[ \$2,850 \times \frac{(\$6,000,000 - \text{Column A, line 3})}{\$3,000,000} \right]$ but in no case shall the result be less than zero ..... 2		
3. If gross receipts from all sources (Column B, line 3) are \$6,000,000 or greater, enter the following: Column A, line 3 x 0.00095 ..... 3		
4. Enter the amount from line 2 or line 3 ..... 4		

### Section C—Computation of Gross Profits AMC

1. If gross profits from all sources (Column B, line 5) are \$3,000,000 or less, <b>STOP</b> and enter -0- on Section D, line 1, and on Part II, line 2, of applicable form (Form 720, Form 720S, Form 725 or Form 765) ..... 1		
2. If gross profits from all sources (Column B, line 5) are greater than \$3,000,000 but less than \$6,000,000, enter the following: (Column A, line 5 x 0.0075) – $\left[ \$22,500 \times \frac{(\$6,000,000 - \text{Column A, line 5})}{\$3,000,000} \right]$ but in no case shall the result be less than zero ..... 2		
3. If gross profits from all sources (Column B, line 5) are \$6,000,000 or greater, enter the following: Column A, line 5 x 0.0075 ..... 3		
4. Enter the amount from line 2 or line 3 ..... 4		

### Section D—Computation of AMC

1. Enter the lesser of Section B, line 4 or Section C, line 4 on this line and on Part II, line 2 of the applicable form (Form 720, Form 720S, Form 725 or Form 765) ..... 1		
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## INSTRUCTIONS—SCHEDULE AMC

# DRAFT 8-21-06

**Purpose of This Schedule**—Schedule AMC, Alternative Minimum Calculation, must be completed and submitted with the income tax return of a corporation (as defined in KRS 141.010(24)(b)) filing Form 720, Form 720S, Form 725 or Form 765.

**Consolidated Return**—In determining eligibility for the reductions contained in the gross receipts calculations, when the AMC is computed on a consolidated return, the gross receipts of the affiliated group shall include the total gross receipts from all sources of the affiliated group, including eliminating entries for transactions among the group. **KRS 141.040(11)**

In determining eligibility for the reductions contained in the gross profits calculations, when the AMC is computed on a consolidated return, the gross profits of the affiliated group shall include the total gross profits from all sources of the affiliated group, including eliminating entries for transactions among the group. **KRS 141.040(12)**

**Section A** of this form must be completed by all corporations computing Kentucky gross receipts and Kentucky gross profits in Column A and computing total gross receipts from all sources and total gross profits from all sources in Column B as provided by KRS 141.040(11) and (12).

**Section B** of this form must be completed to compute the AMC tax on Kentucky gross receipts.

**Section C** of this form must be completed to compute the AMC tax on Kentucky gross profits.

**Section D** of this form must be completed to show the AMC tax due before tax comparison.

### LINE-BY-LINE INSTRUCTIONS

#### Section A—Computation of Gross Receipts and Gross Profits

**Line 1**—Enter the Kentucky gross receipts before returns and allowances in Column A, and gross receipts from all sources before returns and allowances in Column B.

**Line 2**—Enter the returns and allowances attributable to Kentucky gross receipts in Column A, and returns and allowances attributable to gross receipts from all sources in Column B.

**Line 3**—Enter the total of Line 1 less Line 2 in Columns A and B.

**Line 4**—Enter the cost of goods sold attributable to Kentucky gross receipts in Column A, and cost of goods sold attributable to gross receipts from all sources in Column B.

**Line 5**—Enter the total of Line 3 less Line 4 in Columns A and B.

#### Section B—Computation of Gross Receipts AMC

**Line 1**—If gross receipts from all sources (Column B, Line 3) are \$3,000,000 or less, **STOP** and enter zero on Section D, Line 1, and on Part II, Line 2, of applicable form (Form 720, Form 720S, Form 725 or Form 765).

**Line 2**—If gross receipts from all sources (Column B, Line 3) are greater than \$3,000,000 but less than \$6,000,000, enter the following:  $(\text{Column A, Line 3} \times 0.00095) - (\$2,850 \times ((\$6,000,000 - \text{Column A, Line 3}) / \$3,000,000))$ , but in no case shall the result be less than zero.

**Line 3**—If gross receipts from all sources (Column B, Line 3) are \$6,000,000 or greater, enter the following:  $\text{Column A, Line 3} \times 0.00095$ .

**Line 4**—Enter the amount from Line 2 or Line 3.

#### Section C—Computation of Gross Profits AMC

**Line 1**—If gross profits from all sources (Column B, Line 5) are \$3,000,000 or less, **STOP** and enter zero on Section D, Line 1, and on Part II, Line 2, of applicable form (Form 720, Form 720S, Form 725 or Form 765).

**Line 2**—If gross profits from all sources (Column B, Line 5) are greater than \$3,000,000 but less than \$6,000,000, enter the following:  $(\text{Column A, Line 5} \times 0.0075) - (\$22,500 \times ((\$6,000,000 - \text{Column A, Line 5}) / \$3,000,000))$ , but in no case shall the result be less than zero.

**Line 3**—If gross profits from all sources (Column B, Line 5) are \$6,000,000 or greater, enter the following:  $\text{Column A, Line 5} \times 0.0075$ .

**Line 4**—Enter the amount from Line 2 or Line 3.

#### Section D—Computation of AMC

**Line 1**—Enter the lesser of Section B, Line 4 or Section C, Line 4 on this line, and on Part II, Line 2 of the applicable form (Form 720, Form 720S, Form 725 or Form 765).